

BILL # HB 2394

TITLE: AHCCCS; verification of eligibility

SPONSOR: Pearce

STATUS: As Introduced

REQUESTED BY: House

PREPARED BY: Timothy Sweeney

FISCAL ANALYSIS

Description

HB 2394 would require Arizona Health Care Cost Containment System (AHCCCS) employees to use the federal Systematic Alien Verification for Entitlements (SAVE) program to check the immigration status of persons applying for AHCCCS. In addition, this legislation would require AHCCCS employees to submit a written report to federal immigration authorities if any violations of federal immigration law are uncovered by the employee.

Estimated Impact

The JLBC Staff estimates that the bill could generate savings if it reduces AHCCCS participation by ineligible individuals. The bill would also generate increased General Fund administrative costs of approximately \$200,000 - \$275,000. To cover these increased costs, use of the SAVE program would need to identify 200 - 275 ineligible persons per year who would have otherwise received AHCCCS benefits.

Both AHCCCS and the Department of Economic Security (DES) perform eligibility determinations for the AHCCCS population. AHCCCS estimates its share of the General Fund cost of this legislation to be approximately \$35,000 annually. No estimate is available from DES on its estimated costs to implement the provisions of HB 2394.

Analysis

This legislation would require eligibility workers to use the federal SAVE program to cross-check applicants for AHCCCS benefits. The SAVE program is operated by the United States Department of Homeland Security, and contains information on all authorized immigrants and the government services for which these persons are eligible. In order to access the SAVE program database, states are required to pay a 24¢ fee for each initial query of the database, and a 48¢ fee if a follow up query is required for the same individual. Currently, AHCCCS and DES utilize the SAVE program to check the immigration status of applicants who were born outside the United States, however, this legislation would require use of the SAVE program for all applicants.

From July 2003 to December 2004, approximately 115,000 persons per month applied for AHCCCS benefits, through state eligibility offices. Assuming similar figures in FY 2006, JLBC Staff estimates that approximately 1.4 million persons will present themselves for AHCCCS enrollment in FY 2006. Eligibility workers currently access the SAVE program for approximately 5-7% of applicants, which would reduce the estimated number of new SAVE queries to approximately 1.3 million in FY 2006. In addition, members currently on the program will undergo redeterminations in FY 2006. Of the approximately 1.1 million persons currently enrolled in the program, JLBC Staff estimates that 50-75%, or 550,000 - 825,000, will undergo the redetermination process.

Between the redetermination of current members and new applicants receiving initial eligibility screening, JLBC Staff estimates that eligibility workers would need to query the SAVE program approximately 1.8 - 2.2 million times annually. Based on the per query fees discussed above, JLBC Staff estimates that this legislation would result in approximately \$400,000 - \$550,000 in fees paid to the Department of Homeland Security. As these additional costs would qualify for federal Medicaid matching monies, the state impact of this legislation would represent half of the total cost, or approximately \$200,000 - \$275,000.

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State eligibility workers currently attempt to verify applicants' citizenship and utilize the SAVE program for applicants that report being born outside the U.S. To cover the estimated administrative cost increase, the more extensive use of the SAVE program would need to identify ineligible persons who would have otherwise received AHCCCS benefits. At current annual costs of approximately \$1,000 per enrollee, this would equate to approximately 200 - 275 persons, or about 0.2% of total applicants.

Local Government Impact

None.

2/18/05